

IADA Expects a Larger Post-Pandemic Market

Bluer Skies Ahead for BizAv

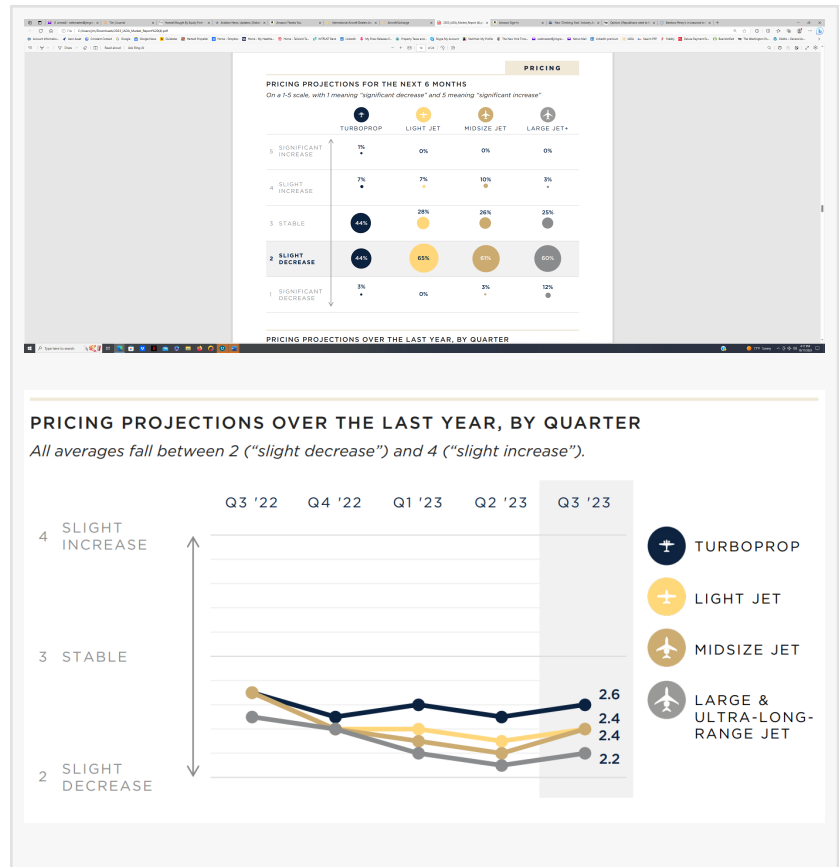
LAS VEGAS, NEVADA, USA, October 23, 2023 /EINPresswire.com/ -- The Third Quarter 2023 Market Report released by the International Aircraft Dealers Association (IADA) predicts a significantly larger market going forward. The report includes hard sales data in addition to the perspectives of IADA's global members, who know the industry well.

"The good news is that inventories are expanding, price inflation has slowed if not slightly slipped, and supply chain quirks and bottlenecks are being ironed out industrywide," said IADA Executive Director Wayne Starling. "Additionally, MROs and FBOs are expanding to meet the needs of aging fleets. Those factors coupled with massive new options from fleet buyers could be signals that supply and demand are rebalancing for a larger post-pandemic marketplace."

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On the other hand, as the preowned business aircraft market continues to adjust to post-pandemic conditions and a bigger market, the current assessment of the aircraft sales market and six-month outlook have slipped just slightly in the past quarter. The culprits are, in the view of IADA's survey respondents, today's higher interest rates, somewhat softer pricing and lingering concerns about the potential for an economic recession in the U.S.

Overall, business aircraft valuations remain relatively stable with newer models and higher pedigree aircraft coming off of their peak prices by 5 to 10 percent. Older

models have dropped in value by 15-20 percent for less preferred aircraft sold over the past couple years. Aircraft utilization has remained solid, within a few percent of the third quarter of 2022 and well ahead of 2019 levels.



Third Quarter 2023 Dealer Activity by the Numbers

There were 309 used aircraft deals closed in the third quarter of 2023 with 257 aircraft sales under contract. Sixty-six aircraft were sold at a lower-than-asking price and 44 deals fell apart in the quarter. IADA dealers received 116 new acquisition agreements and were retained exclusively to sell 226 aircraft.

Year-to-Date Comparisons

So far in 2023, IADA dealers have closed 853 transactions through September, compared to 929 in the same period in 2022. IADA dealers signed 410 new acquisition agreements, compared to 519 in the prior year's first nine months. There were 191 aircraft sold with lowered prices, compared to 59 in the first nine months of 2022, and 152 deals fell apart through September 2023 compared to 127 in the first three quarters of 2022.

The Next Six Months

While IADA's proprietary member surveys provide insights into present market conditions, they also reveal the directionality of market forces in the near term. Recognizing that business aircraft markets are far from monolithic, IADA analyzes and reports on projections for supply, demand, and pricing across four turbine aircraft categories: Turboprops, Light Jets, Midsize Jets, and Large and Ultra-Long-Range Jets.

Generally, pricing is expected to reflect slight decreases and supply for sale is predicted to be slightly increased across all categories. Demand projections are expected to be stable for turboprops and light jets, with stable to slightly decreased demand for mid and larger size jets.

To download the Third Quarter 2023 IADA Market Report go AircraftExchange.com/Market-Report.

What Are IADA's Members Saying?

The Perspective Survey is sent to over 1,000 IADA members, consisting of IADA-Accredited Dealers and their Certified Brokers, OEMs, and IADA-Verified Products and Services Members. IADA-Accredited Dealers and their Certified Brokers are involved in both new and pre-owned

aircraft sales.

IADA-Verified Products and Services Members are part of our collective network and represent a breadth of members that provide comprehensive services, including transactions, operations, maintenance, insurance, financing and leasing. Together, they offer a unique perspective on the current state of the industry as well as an informed point of view on projections for the next six months.

The following are some of their comments on market conditions:

“Q4 will offer buyers some great opportunities as the market continues to normalize. Current tax benefits are another reason to consider a Q4 purchase.”

SHAWN HOLSTEIN
HOLSTEIN AVIATION INC.
IADA-ACCREDITED DEALER

“Our acquisition business has increased 60% this year. Many buyers are looking to upgrade from their current aircraft.”

ANDY TOY
AXIOM AVIATION
IADA-ACCREDITED DEALER

“Some aircraft models are still demanding a premium in the pre-owned market (late model Caravans, Sovereigns, Falcon 900 and 2000, etc.).”

MIKE CLARK
ABSOLUTE AVIATION LLC
IADA-ACCREDITED DEALER

“August was really, really busy, with transactions and new deals.”

TODD JACKSON
ELLIOTT JETS
IADA-VERIFIED PRODUCTS AND SERVICES MEMBER

“There are a lot of variables with today’s markets (interest rates, inflation, world issues, etc.), but we are near the fourth quarter and next year is an election year. For these reasons, I think the market will remain somewhat stable throughout 2024.”

MARK PRALL
JET ACCESS GROUP

IADA-ACCREDITED DEALER

"Overall supply build over the last six months, along with price dilution, has plateaued. All brokers reporting notable uptick in inquiries and activities since early August — summer slowdown ended early? We are preparing our team and clients for a high-activity Q3/4."

JOHNNY FOSTER
OGARAJETS
IADA-ACCREDITED DEALER

"July was our best month in history, after a steady second quarter. August continues to be above average in terms of transactions for us."

DANIEL CHEUNG
AVIATION TAX CONSULTANTS LLC
IADA-VERIFIED PRODUCTS AND SERVICES MEMBER

"Buyers will be anticipating low prices, but sellers who bought at a premium in the past three plus years will be hesitant to take a loss in the exchange."

ROLLAND VINCENT
ROLLAND VINCENT ASSOCIATES LLC
IADA-VERIFIED PRODUCTS AND SERVICES MEMBER

"If the OEMs stay sold out, resale values will be acceptable. If the OEMs have cancellations, hang on as values drop rapidly."

MATT BOSCO
AXIS JET
IADA-ACCREDITED DEALER

"It's not as bad as it could be given the political and economic uncertainty. Improving inventory levels will continue to keep transactions going despite high rates and all the uncertainties. It also seems as though the percentage of buyers using finance is decreasing."

ADAM MEREDITH
AOPA AVIATION FINANCE COMPANY
IADA-VERIFIED PRODUCTS AND SERVICES MEMBER

"While Q4 is likely to be fairly robust, I believe overall the next 6 months will see a continued slow increase in supply with a corresponding slow decrease in pricing."

JOHN ODEGARD

WHEELS UP AIRCRAFT SALES
IADA-ACCREDITED DEALER

“Still supporting strong turboprop and midsize jet demand. Solid and steady activity.”

JIM RINER
WETZEL AVIATION
IADA-ACCREDITED DEALER

“While inventory levels increased throughout the summer, it is becoming apparent that it is not going to be enough to support the demand we have for the year-end transactions expected. I expect to enter 2024 with low levels of high-pedigree aircraft, and we won’t likely see current inventory levels until 2024.”

DAVID MONACELL
CFS JETS
IADA-ACCREDITED DEALER

About the International Aircraft Dealers Association

IADA's dealers consist of the top 17 percent of the world's experts who handle 50 percent of used business aircraft sales. IADA-accredited dealers buy and sell more aircraft by dollar volume than the rest of the world's dealers combined, averaging over 1,300 transactions and \$11.8 billion in volume per year.

Ninety-seven percent of IADA dealers do business in North America, 66 percent of dealers operate in Europe, 58 percent are active in Latin America and the Caribbean, 45 percent do business in Asia and the Pacific region, 39 percent work in the Middle East and 41 percent in Africa. IADA also represents a variety of IADA-verified product and aviation services members that operate with the highest professional standards in the industry. For more info go to <https://www.iada.aero>.

About AircraftExchange.com

IADA's AircraftExchange marketing search portal is the only site where every aircraft listed for sale is represented by an IADA-accredited dealer. AircraftExchange enables users to create a confidential dashboard of business jets for sale, filtered based on their features and amenities, class size, age, and price. Users can browse through data-rich listings for available business aircraft. For more info go to <https://www.AircraftExchange.com>.

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